

**UNAPPROVED MINUTES
of the
TENTH MEETING
of the
PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE**

**December 21-22, 2006
State Capitol
Santa Fe, New Mexico**

The tenth meeting of the Public School Capital Outlay Oversight Task Force (PSCOOTF) was called to order by Senator Cynthia Nava and Representative Rick Miera, co-chairs, at approximately 1:30 p.m. in Room 307 of the State Capitol in Santa Fe.

Present

Rep. Rick Miera, Co-Chair
Sen. Cynthia Nava, Co-Chair
Sen. Vernon D. Asbill
Pancho Guardiola
Leonard Haskie
Robbie Heyman (Dec. 21)
Anna Lamberson (Dec. 21)
Rep. Larry A. Larrañaga
Sen. Carroll H. Leavell
Kilino Marquez
Elizabeth Marrufo
Katherine B. Miller, Department of Finance
and Administration (DFA), with
Peter Winograd filling in
Don Moya for Veronica Garcia, Public
Education Department (PED)
Bud Mulcock
Rep. Henry Kiki Saavedra
Dr. Moises Venegas

Absent

Sen. Ben D. Altamirano
Gary Bland
Dr. Leslie Carpenter
Sen. Joseph A. Fidel
Cecilia J. Grimes
Speaker of the House Ben Lujan
Norman Suazo
Sen. Leonard Tsosie
Rep. W.C. "Dub" Williams

(Attendance dates are noted for members not present for both days of the meeting.)

Staff

Sharon Ball, Legislative Council Service (LCS) (Dec. 21)
Tim Berry, Public School Facilities Authority (PSFA)
Pauline Rindone, Legislative Education Study Committee (LESC)
Robert Gorrell, PSFA
Scott Hughes, DFA
Roxanne Knight, LCS
Antonio Ortiz, PED

Paula Tackett, LCS
Peter Winograd, DFA

Guests

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

Thursday, December 21

The meeting was called to order at 1:30 p.m.

High School Redesign: Opportunities and Challenges for the Standards-Based System

Brief Overview

Katy Harvey, principal, Public Academy for the Performing Arts (PAPA) Charter School in Albuquerque, was to give a brief overview but was unable to attend because of a last-minute change in the meeting time for the Albuquerque Board of Education's meeting to discuss selected charter schools' audits, including PAPA's.

Small Learning Communities (SLC)

Representing Ms. Karen Alarid, AIA, director, facilities design and construction, Albuquerque Public Schools (APS) (who was unable to attend), Tyler Mason, together with Debra Heath, an evaluator for APS Research, Development and Accountability Department, and Allison Abraham, AIA, a staff architect with SMPC Architects, provided information to the task force on the evidence of the effectiveness of "small learning communities" (SLCs) in APS.

Ms. Heath explained that an SLC is a separately defined learning unit within a larger school. SLCs can improve school climate, attendance, grade completion and dropout rates, and faithful implementation of the SLC model yields the strongest results. The physical and organizational structures are key to SLC success, so it is best to incorporate the model into school construction projects.

In the fall of 2000, APS received a federal grant of \$2.4 million to create SLCs in six high schools over a three-year period (five freshman academies and one career academy). The goal was to make APS's large, anonymous schools feel smaller and safer and to make sure that every student received the personal support that would help the student succeed academically through to graduation and beyond.

SLCs are separately defined, individualized learning units within a larger school setting. A freshman academy is one type of SLC, focused at the ninth-grade level. Career academies are organized around career themes.

Ms. Heath reviewed the essential features of SLCs:

1. scheduling of teams of teachers and students in interdisciplinary teams;

2. teacher collaboration and integrated curricula;
3. common space that is separate from the rest of the school;
4. distinctive thematic or curricular focus; and
5. autonomy and flexibility to tailor instruction, schedules, hiring, professional development curriculum and assessment to the particular SLC interests and its students' needs.

The APS evaluation of the SLC programs produced the following results:

- well-implemented SLC programs produce statistically significant improvements in school climate, student dropout, attendance and grade completion;
- faithful implementation of the SLC model yields the strongest results; and
- teacher collaboration and team exclusivity are two keys to success.

The evaluation findings suggest that the following factors are crucial to successful SLC program implementation and optimal results:

- teachers meet and collaborate frequently;
- instruction is interdisciplinary;
- teacher and students are assigned exclusively to one team with no more than 120 students and no fewer than four teachers on each team;
- teaching teams are stable and consistent through multiple years;
- team teachers share common space separate from the rest of the school;
- each team has its own administrator; and
- additional funding is required for SLC-specific administrators, for maintaining low student-to-teacher ratios and for providing teachers with adequate time and/or stipends to support collaboration, development and student advising.

In terms of results of the APS evaluation of the implementation of SLCs, Ms. Heath indicated that the program achieved notable improvements in school climate, student attitudes and academic persistence. Specifically, she pointed out that, compared to their non-SLC counterparts:

- SLC students report feeling more visible, safer and more supported by peers and teachers;
- SLC students report experiencing higher academic expectations, feeling more engaged in their own schoolwork and having a better understanding of the connection between their high school studies and careers; and
- SLC students are more likely to attend classes, earn enough credits to pass to the next level and stay in school.

Ms. Heath's presentation included detailed drawings of the APS New Northwest High School design and the ways in which the design supports the SLC concept.

Career Pathways

Dr. V. Sue Cleveland, superintendent of the Rio Rancho Public Schools, gave a presentation on what is referred to as a "career pathway" program and the issues involved with

having physical spaces (classrooms) to support such a program. She stressed an urgency in resolving the spatial issues and conflicts that exist with the PSFA facility guidelines and the career pathway model. She said that the guidelines do not capture the possible areas of facilities that are related to the model.

Dr. Cleveland explained that the United States Department of Education has identified 16 career clusters, which are groupings of similar skills and common themes. She said that career-cluster employment for students is available at various education levels. She opined that the career cluster concept helps students, parents, employers and educators understand the way in which curriculum relates to existing career opportunities. New Mexico has compressed the 16 clusters into seven priorities based on economic development and job projections. Career specialties are specific job titles within a pathway within a cluster.

The task force engaged in discussion about the need to focus students on career paths while they are in high school. Dr. Cleveland encouraged the task force to consider more "concurrent" enrollment among high schools and community colleges, giving students the opportunity to keep their momentum during the "weak senior year" of high school. Task force members indicated a desire to see more regional coordination with economic development efforts to determine what is needed in the labor force and career pathways.

Adequacy Standards Update: Recommendations from the PSFA Adequacy Standards Advisory Group and the Ad Hoc Review Group

Andre Larroque, AIA, building standards specialist from the PSFA, gave a detailed presentation on the recommendations (see the meeting file for the handout) made by the PSFA Advisory Group and the Public School Capital Outlay Council (PSCOC) Ad Hoc Review Group. Some key changes included adding several definitions for items such as educational technology and ancillary space; adding references to charter schools; eliminating terminology relating to certain minimums and maximums; and adding to descriptions of certain spaces (e.g., performing arts spaces and certain physical education spaces).

Toni Nolan-Trujillo, superintendent of the Pojoaque Valley Public Schools, reviewed the concerns of the superintendents with regard to the adequacy standards. She explained that the review process with the advisory group and the ad hoc review group had been very positive and productive.

Ray Vigil, AIA, ASA Architects Studio, underscored the two major items of change in the adequacy standard recommendations: the introduction of auxiliary gymnasiums and fine arts spaces.

Task force members engaged in considerable discussion about the process of change for the adequacy standards rules. In response to task force discussion and questions, Mr. Larroque explained that the proposed changes to the adequacy standards would be presented to the PSCOC and ultimately to the public through the state's rulemaking process.

Because of the amount of the rough estimates for some of the changes reported by PSFA (e.g., \$142 million to provide auxiliary gymnasiums in all schools that do not have them and \$204 million to provide performing arts centers in all schools that do not have them), the task force was advised that the PSCOC could exclude or modify some of the changes. Ms. Tackett clarified that current estimates provided are very tentative and that the PSFA staff will be providing a more thorough evaluation of the impact of the changes and estimated costs for long-term implementation.

Adequacy Standards Update: Technology in Education, HB 511 (2005 Legislative Session)

Dr. Tom Ryan, chair-elect, State Council on Technology in Education, and a commissioner on the Information Technology Commission as well as executive director of educational technology for APS, was not able to attend the meeting because of inclement weather.

Ms. Tackett offered remarks in Dr. Ryan's absence. She noted that there will be an educational technology proposal from the LESC appropriating \$24 million to PED to replace computers, which would be the first year of funding that is needed for a five-year cycle, and a \$27 million appropriation to the Educational Technology Deficiencies Correction Fund to address deficiencies in education technology infrastructure in the schools.

Facility Information Management System (FIMS) Reporting: Regional Educational Cooperative (REC) #6 Report on Pilot Year for Small District Assistance with FIMS Reporting

Bob Bittner, PSFA maintenance coordinator, reviewed the status of implementation of the FIMS software maintenance system for school facilities. He reminded task force members that FIMS is a tool for managing school facility maintenance that documents maintenance work, generates preventive maintenance information and serves as a data collection and analysis tool for both school districts and the state. He said that the legislature has consistently made funding available for school districts to acquire both software and training.

Mr. Bittner reviewed the implementation of the program, which was started as a pilot program in 18 districts during 2005. He told the task force that, currently, 78 of the state's 89 districts are using the system with many of them reporting positive results. He said that the remaining districts are expected to implement the system in 2007. In response to a task force question, he explained that the FIMS system is mandatory for those school districts that receive a PSCOC grant.

In addition to the data included in FIMS, Mr. Bittner reminded task force members that one of their 2006 legislative recommendations was the authorization of \$2.5 million from the Public School Capital Outlay Fund for a statewide facilities equipment inventory. He explained that these particular inventories go beyond simply accounting for equipment such as heating, ventilating and air conditioning (HVAC) systems and the number of fire alarms and fire extinguishers, backhoes and lawn mowers; they also account for any system that the district is responsible for inspecting and maintaining to prevent premature degradation.

In order to allow districts to have direct input into the actual inventory process, each district develops, issues and implements its own contract with PSFA, providing assistance as requested by individual districts. Once the data are gathered by the contractor, they are then included within the FIMS so that, for example, FIMS will generate routine preventive maintenance work orders.

Mr. Bittner recapped some of the previous testimony to the PSCOOTF during the 2005 interim regarding concerns that some smaller districts have expressed about implementation of FIMS because of insufficient maintenance staff and a shortage of administrative staff to do the data entry. He added that superintendents in smaller districts, particularly those with student enrollments of fewer than 200, are themselves responsible for day-to-day maintenance, in addition to their other administrative duties. In response to concerns of these superintendents, PSFA worked with staff at the REC #6 in Clovis to implement a pilot program to provide staff assistance to small districts with implementation of FIMS requirements.

Lecil Richards, facilities consultant to REC #6, gave a brief update on the REC/FIMS pilot study. By way of background, he said that in December 2005 REC #6 proposed that a regional "facilities maintenance person" be hired to provide assistance to member districts on facility issues, such as FIMS and equipment inventory. He noted that, initially, the concept was rejected because the legislature passed an increase in the Public School Capital Improvements Act (often called "SB 9" guarantee) from \$60.00 per mill per MEM to \$90.00 per mill per MEM. However, when the governor vetoed the increase, the PSCOC approved funding to support the REC #6 pilot study. In July 2006, Mr. Richards assumed his position as the REC #6 facilities coordinator and, since then, he has been assisting the REC #6 districts with the FIMS training and data entry, plus putting together the scope of work for a contracted equipment inventory for all 10 districts that belong to REC #6. Mr. Richards said he has been visiting districts that are members of REC #6, which include Dora, Grady, Melrose, Elida, Floyd, Texaco, House, San Jon, Fort Sumner and Logan. In response to a task force question, Mr. Bittner added that Mr. Richards had also been helping REC #6 members with FIMS training (mostly data entry) and providing assistance to districts in collecting floor space data to help set up the REC #6 group contract. Mr. Bittner also noted that Mr. Richards had coordinated setting up and issuing a single contract for nine of the REC #6 districts, thereby allowing these small schools to achieve economies of scale that often are limited to only larger districts.

PSFA Reduced Oversight in Selected Areas

Martica Santistevan, PSFA planning and design manager, reviewed the PSFA proposal to eliminate certain PSFA oversight and review of select public school capital outlay projects. She explained that the proposal had been developed because many of the school districts already rely on design professionals to assist them at all phases of the PSFA review process. Additionally, she noted that many projects involve small construction projects and minor repairs, such as window replacements, parking lot resurfacing, fencing, sprinkler and irrigation systems, light and ceiling replacements and siting grading or damage. She explained that about 30 percent, or

96 projects, currently needing PSFA approval would be excluded under the proposal for exemption.

She noted that the proposal would require a statutory change. During the task force discussion of the proposal, the task force agreed that implementation of the proposal would streamline the time lines for project completion for projects under \$200,000 and allow school districts to manage these smaller projects as they had done in years past.

The task force recessed until the next day.

Friday, December 22

The meeting was called to order at 9:30 a.m. by the co-chairs.

Minutes from the October 2006 meeting of the PSCOOTF were unanimously approved.

Discussion and Adoption of Legislation for Task Force Endorsement

Ms. Tackett and Gary Carlson, LCS contract drafter, presented drafts of potential legislation based upon the 2006 interim work of the task force, the Charter School Subcommittee and task force-appointed work groups. Ms. Tackett noted that today the task force would be considering more than 20 separate pieces of legislation but that, based upon the pleasure of the task force, most issues could be covered in a single omnibus bill with other, less closely related issues included in separate bills. The action taken and recommendations made on each draft are as follows:

1. 164273 — Proposes to provide a reduced offset for direct legislative appropriations in the amount of grant assistance pursuant to the Public School Capital Outlay Act for public school capital outlay projects, if the appropriations are for priority projects ranked among the top 150 in the New Mexico Condition Index (NMCI) ranking. Some task force members expressed concern about the possibility of *Zuni* lawsuit implications. *Adopted.*
2. 164276 — Proposes to amend the Public School Capital Outlay Act to allow, under certain circumstances, grants to be made for districts to purchase privately owned school facilities that are, at the time of the PSCOC grant application, in use by the school district. *Adopted in concept pending some adjustments suggested by task force members to clarify language in the bill.*
3. 164270 — Proposes to amend the Public School Capital Outlay Act to provide that a school district's local share of the cost of a PSCOC project may be reduced if it has been exemplary in developing and implementing a preventive maintenance plan. *Not adopted.* During their discussion, the task force members agreed the concept — providing an incentive for good maintenance programs — is laudable. Members suggested that the PSCOC consider developing rules to accomplish the same end and bring them to the task force during the 2007 interim for input and for possible reconsideration for legislation.

4. 164269 — Appropriates \$8 million from the general fund to purchase and install portable facilities to be loaned to school districts experiencing high growth. *Adopted.*
5. 164268 — Proposes to allow the PSCOC to exempt, by rule, certain types of construction projects costing \$200,000 or less from the requirement for approval by the PSFA. *Adopted.*
6. 164266 — Would amend the Procurement Code to provide for construction manager at risk contracts in the construction of public school facilities. *Adopted.*
7. 164445 — Would provide incentives for school districts that realize savings in the total cost of a PSCOC project. *Not adopted.*
8. 164548 — Would increase the SB 9 state guarantee from the current \$60.00 per mill per MEM to the proposed \$70.00 per mill per MEM. *Adopted.*
9. 164550 — Appropriates \$13.3 million from the general fund to the Public School Capital Outlay Fund for deficiencies in facilities at the school for the deaf and school for the blind and visually impaired. *Adopted.*
10. 164551 — Appropriates \$30 million from the general fund for grants and extends the deadline for expenditure of roof repair and replacement grants from September 1, 2008 to July 1, 2011. *Adopted.*
11. 164552 — Extends the time period from June 30, 2007 to June 30, 2008 for expenditure for the remaining PSCOC deficiency projects. *Adopted.*
12. 164549 — Creates a "public school opportunity fund" and provides several permanent revenue streams, including distributions to the fund of a portion of gross receipts tax revenue derived from public school construction projects and certain general fund reversions, to provide funds to allow certain qualifying districts to exceed adequacy standards on their PSCOC grant-funded projects. *Adopted with changes.*
13. 164274 — Would provide for additional PSCOC funds for qualifying districts to exceed adequacy standards in their PSCOC grant-funded projects. *Adopted.*
14. 163916 — Would remove the offsets for local districts for direct capital outlay appropriations made to state-chartered charter schools. *Adopted with changes.* Representative Saavedra voted in the negative.
15. 163923 — Would provide an annual adjustment in the amounts of grants to school districts for leased classroom spaces; increasing the amount from \$600 to \$700 per MEM and extending the period of time during which the grants can be made from FY 2010 to FY 2015. *Adopted.* Representative Saavedra voted in the negative.

16. 163847 — Would provide for an additional mill to be levied for the SB 9 mill levy upon approval of the district's voters to be distributed on the basis of enrollment to all schools within the district; would also provide that levying the additional mill would have no effect on the state guarantee. *Adopted.* Senator Leavell and Representative Larrañaga voted in the negative.
17. 163917 — Would require local school boards to include the capital needs of charter schools before adopting a resolution requesting voter approval of general obligation bonds and to provide a proportionate distribution of the proceeds to charter schools. *Adopted as amended by the task force to track with the language in 163846 (below).*
18. 164446 — Would require the PSCOC to consider concepts that promote efficient but flexible utilization of space. *Adopted.*
19. 163846 — Would amend the Public School Building Act (called "HB 33") to require that a proportionate share of revenue derived from taxes imposed pursuant to that act be distributed by county treasurers directly to charter schools, to extend the time period for which the taxes may be imposed from five to six years and to allow funds to be used for a portion of project management costs. *Adopted.*
20. 164616 — Would allow school districts to enter into lease agreements with charter schools and then keep the money from the lease agreements without that money counting against statutory cash balance limitations. *Adopted.*
21. 164267 — Enabling legislation for implementation of Constitutional Amendment #2, adopted by voters at the 2006 general election; providing that, under certain circumstances, agreements for the lease of school facilities with an option to purchase may qualify for PSCOC grant assistance. *Adopted.*
22. 164547 — Authorizes the issuance of revenue bonds to provide the match required for PSCOC grant awards to state-chartered charter schools. *Adopted.* Representative Saavedra, Senator Leavell, Dr. Venegas and Secretary Miller voted in the negative.

Task force members also agreed upon criteria for awarding grants from the Educational Technology Deficiency Correction Fund and appropriating money to the fund and to the PED for replacing computers. They also agreed upon language to reconcile conflicting laws relating to public school transportation services and transportation distributions for charter schools.

Working through lunch and into the afternoon, task force members agreed to appoint a subcommittee, which will meet on January 14, 2007 at 4:00 p.m. in the State Capitol, to review task force-recommended adjustments to the legislative proposals and to recommend legislation for task force endorsement. The task force agreed by consensus to allow staff to make editorial changes as necessary and to consult with task force co-chairs before making substantive changes.

There being no further business to come before the task force, the meeting adjourned at approximately 3:00 p.m.